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BY Colum Lynch

UNITED NATIONS -- U.N. Secretary General Ban Ki-moon has asked the United States to conduct a criminal probe into allegations that a former senior U.N. official misappropriated nearly half a million dollars in aid money destined for Afghanistan, according to senior U.N. officials.

The move comes six months after a U.N. anti-corruption task force concluded that Gary K. Helseth, an American who managed more than \$1 billion in international reconstruction funds, used some of the money to finance a lavish lifestyle, including a home renovation in Kabul, meals at expensive restaurants in Europe and the Middle East, and first-class travel to Las Vegas.

Helseth has denied wrongdoing through his attorney. "We are disappointed with the U.N.'s decision," said Paul K. Charlton, noting that his client has not been informed of the decision to waive his diplomatic immunity. "Mr. Helseth maintains his innocence and will continue to work to clear his name."

The case highlights a breakdown of the United Nations' financial controls over more than \$2.7 billion in assistance, including hundreds of millions from the United States, that flowed into Afghanistan after the U.S. overthrow of the Taliban in 2001. It comes as the Obama administration presses the United Nations to play a central role in coordinating the delivery of aid in Afghanistan.

The allegations against Helseth, the director of the U.N. Office for Project Services (UNOPS) in Afghanistan from 2002 to 2006, were first reported by The Washington Post in March. Since then, the U.N. purchasing agency has come under fire from the inspector general of the U.S. Agency for International Development for poor oversight of \$25 million in USAID-funded projects.

An internal investigation by the USAID watchdog that was posted on USA Today's Web site in April cited shoddy construction in multimillion-dollar "quick impact" projects.

The report also found that the U.N. Development Program, which hired UNOPS to administer the Afghan projects, withdrew \$1.7 million in USAID funds from a bank account after its contract with the U.S. agency expired and that officials from the U.N. agency refused to be interviewed by U.S. investigators or to supply relevant documents. The United Nations said the money was for previous services.

"The UN participated in a system in which millions of dollars were systematically transferred to and from USAID projects without the knowledge or consent of USAID," the report stated. "Due to the refusal of the UN to cooperate with this investigation, questions remain unanswered."

The U.S. attorney for the Southern District of New York initially reviewed the allegations against the United Nations but closed its probe in April 2008 at the request of USAID, according to the report. A spokeswoman for the prosecutor's office, Yusill Scribner, declined to comment on whether the case would be reopened. A USAID spokesman did not respond to a request for comment.

Ban's decision to waive Helseth's immunity came days after Rep. Mark Steven Kirk (R-Ill.) asked the U.N. chief what he intended to do in response to the allegations of corruption.